

1H 2022 Earnings Presentation

Analyst & Investor Conference Call

Abu Dhabi, 21 July 2022

ADIB IR Website



IR App Download link:



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Key Highlights

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= Key Highlights

ADIB delivers strong 1H 2022 performance underpinned by growth in core business

- = 30% growth in net profit vs 1H2021 with ROE improving to 17.3%
- = Revenue up 7% driven by 26% growth in fees and commissions and 5% growth in funded income
- = Effective cost control strategy delivers positive jaws with C/I ratio improving 306 basis points
- = 9% asset growth driven by 10% growth in customers financing and 30% growth in investments
- = 10% deposits growth with CASA ratio of 75%
- = Robust capital position with a CET1 of 12.8%

Executing ADIB Strategy

1H 2022 Earnings Presentation

= ADIB Strategy 2025

ADIB has launched strategy 2025 with a renewed purpose and vision

= Purpose

Lifelong partner for customers, colleagues and community

= Vision

The world's **most innovative Islamic bank**

▶ 4-Pillar Strategy



Continuous
Innovation



Segment
Focused









Digital
Excellence



Sustainable
Future

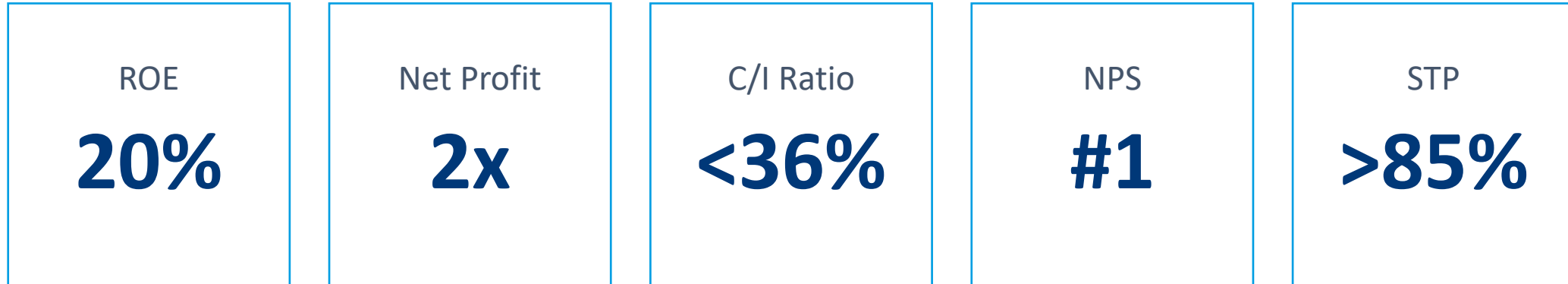
= Update on Strategy Progress

ADIB continues to deliver on its strategy in 1H 2022

Continuous Innovation	Key product launches - Launch of API Developer Portal plot - New land finance product - Exclusive partnership deal with Visa	Amwali Youth Account +7,478 Accounts	Asset Management \$162 mn Global Sukuk Fund	Payment Service AED 3.9 mn Revenue	
Segment Focused	UAE Nationals +21,346 New to bank UAE Nationals	Grow wholesale banking +16.4% Financing growth YoY	Retail sales +31% Asset growth YoY	Attract new customers +48000 New customers	Deepen relationships 1.50 Cross-sell Ratio
Digital Excellence	Digitize processes 99% Digital transfers	Digitize channels 99% Payments: Volumes received from Mobile App & Online Channels 44% Personal finance	Automate processes  69 bots	Leverage digital channels 4.70/5 ★★★★★ AppStore rating 4.54/5 ★★★★★ Google Play rating	Paperless strategy:  2m Papers Saved (2021)
Sustainable Future	Leader in financial conduct   1st ESG report GRI accreditation	Employer of choice  78% Employee engagement index	Best customer experience #1 Number 1 bank NPS in UAE: 78% 		

= ADIB Strategy 2025 Strategic Targets

A commitment to driving value



Financial Performance

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= Financial Performance Highlights

ADIB delivers strong 1H 2022 performance

= Strong YoY Growth in Profitability

1.4bn

Net Income

+30%



2.8bn

Revenues

+7%



1.2bn

Expenses

-0.2%



= Solid Balance Sheet Growth YTD

142bn

Total Assets

+4%



97bn

Gross Customer Financing

+4%



115bn

Deposits

+5%



= Robust Capital Position and Strong Return

18.0%

CAR

-101bps



17.3%

Return on Equity

+365bps



40.9%

Cost to Income Ratio

-306bps

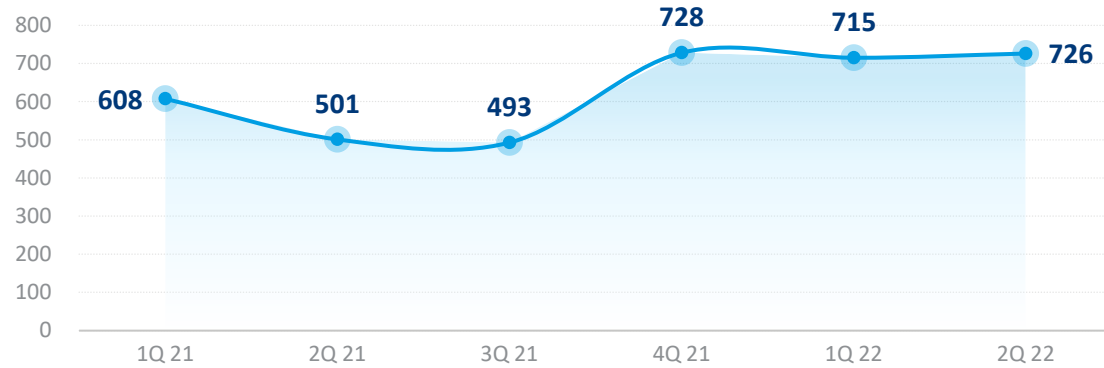


All figures in AED

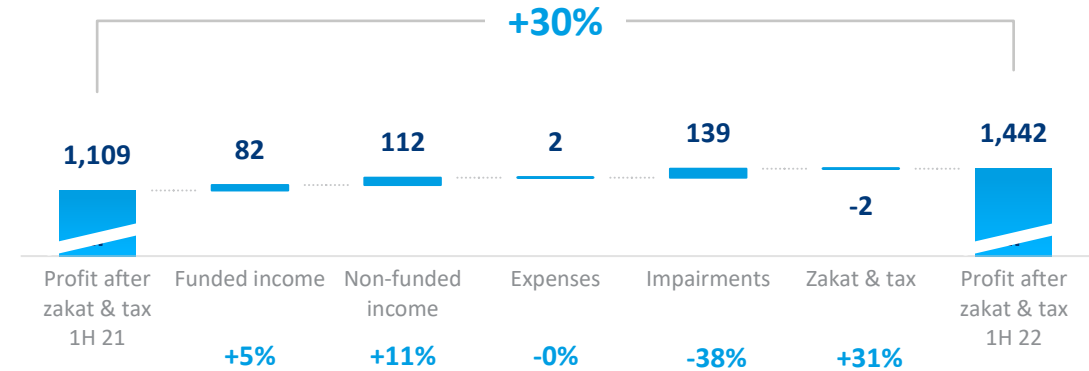
= Income Statement

30% growth in profitability underscored by positive increases in our assets, revenue and gross financing

= Net Income (AEDmn)



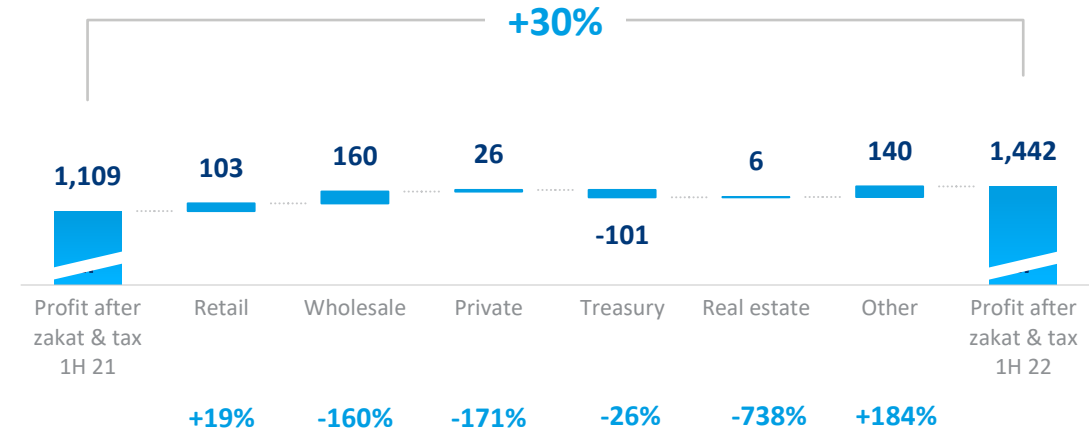
= Net Income Movement YoY (AEDmn)



= Income Statement Highlights

AED (mn)	1H 2022	1H 2021	Δ%	2Q 2022	2Q 2021	Δ%
Funded income	1,669	1,587	+5%	880	803	+10%
Non-funded income	1,169	1,057	+11%	549	506	+8%
Revenues	2,838	2,644	+7%	1,429	1,309	+9%
Operating expenses	(1,160)	(1,162)	-0%	(583)	(570)	+2%
Provision for impairment	(227)	(367)	-38%	(114)	(233)	-51%
Net Income after zakat and income tax	1,442	1,109	+30%	726	501	+45%

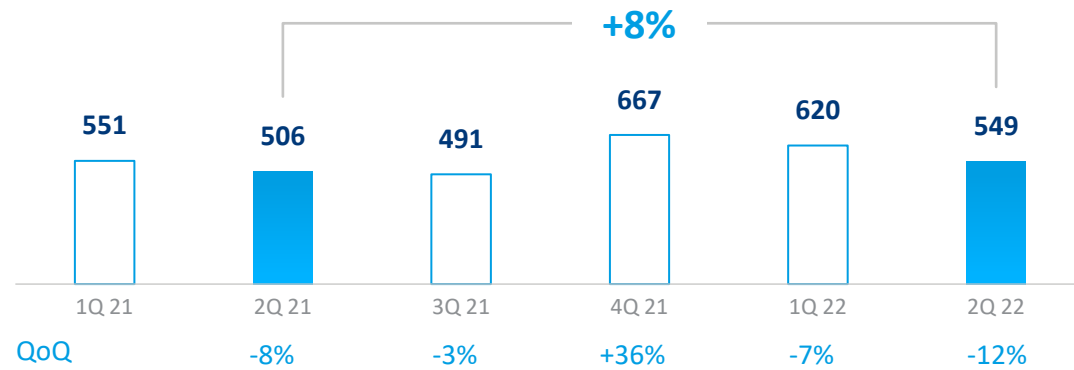
= Net Income Movement by Segment YoY (AEDmn)



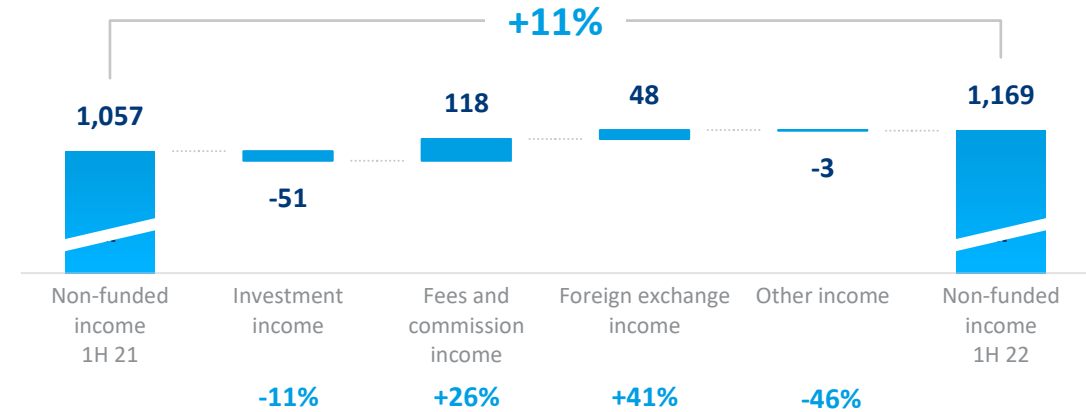
= Non-Funded Income

Robust fee generation drives 11% YoY growth in non-funded income

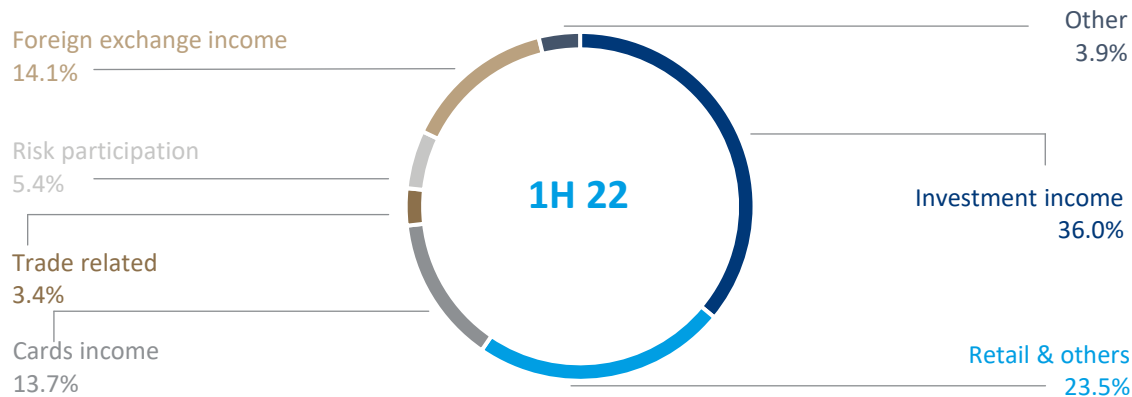
= Non-Funded Income (AEDmn)



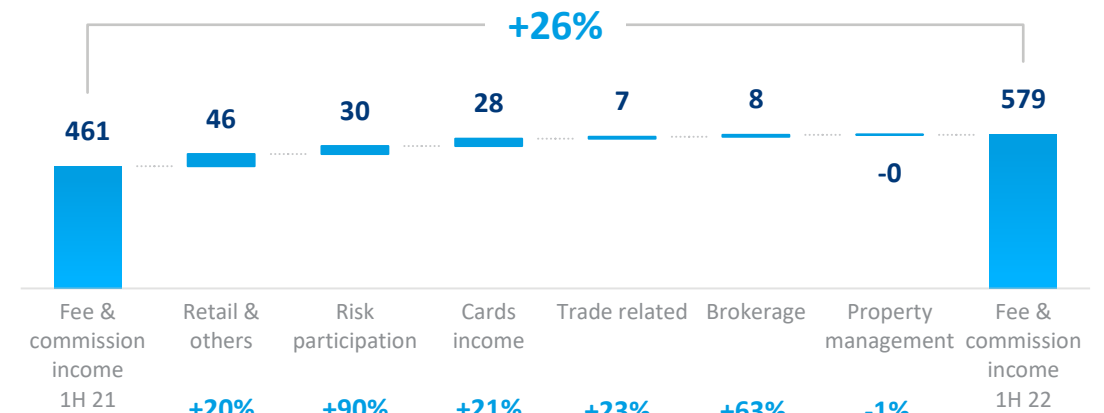
= Non-Funded Income Movement YoY (AEDmn)



= Non-Funded Income Composition (%)



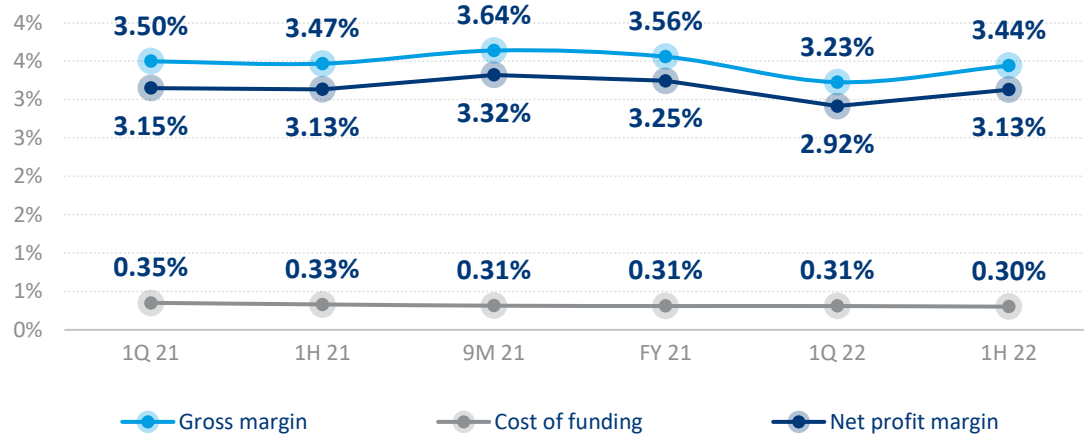
= Fee & Commission Income Movement YoY (AEDmn)



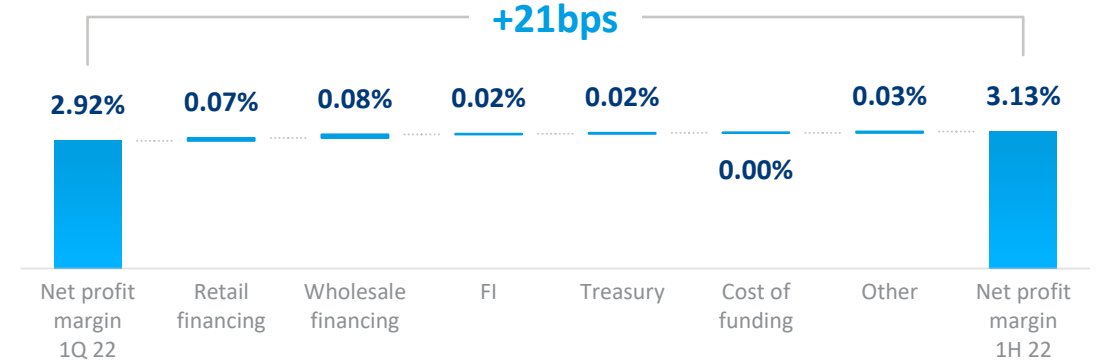
= Funded Income

Net profit margin saw a 21bps rebound from 1Q 2022

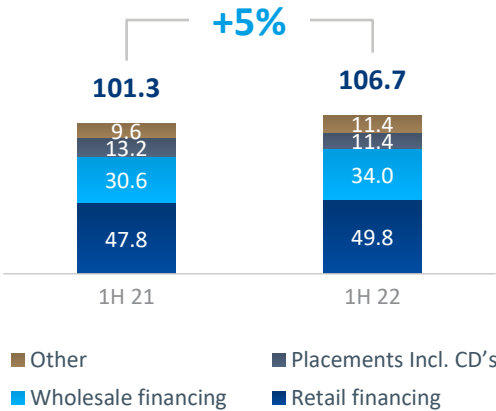
= Net Profit Margin (%)



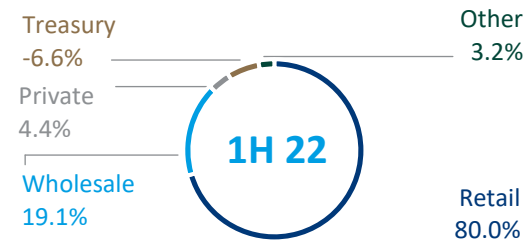
= Net Profit Margin Movement QoQ (%)



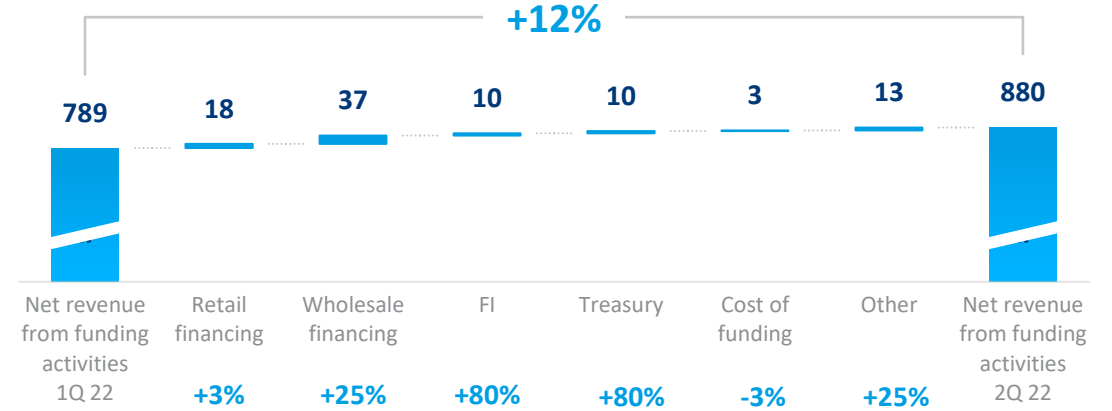
= Average Profit Earning Assets (AEDbn)



= Funded Income Composition (%)



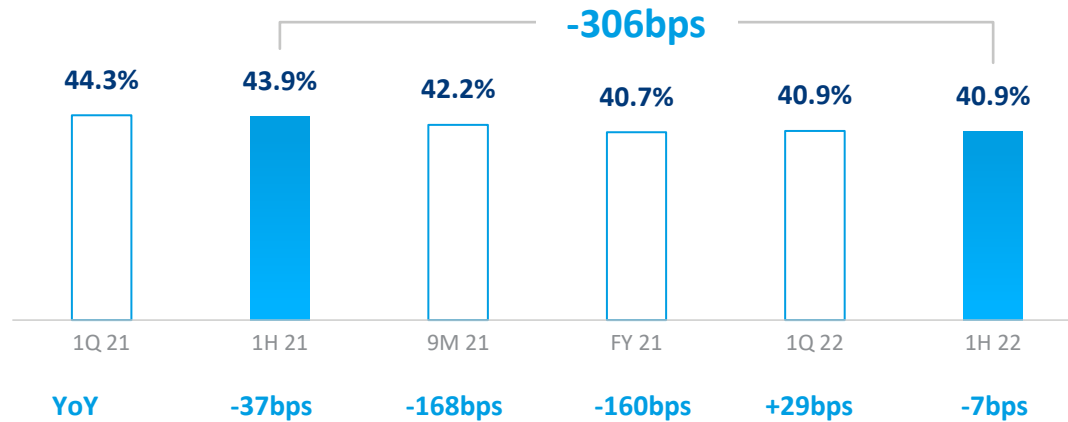
= Net Revenue from Funding Activities Movement QoQ (AEDmn)



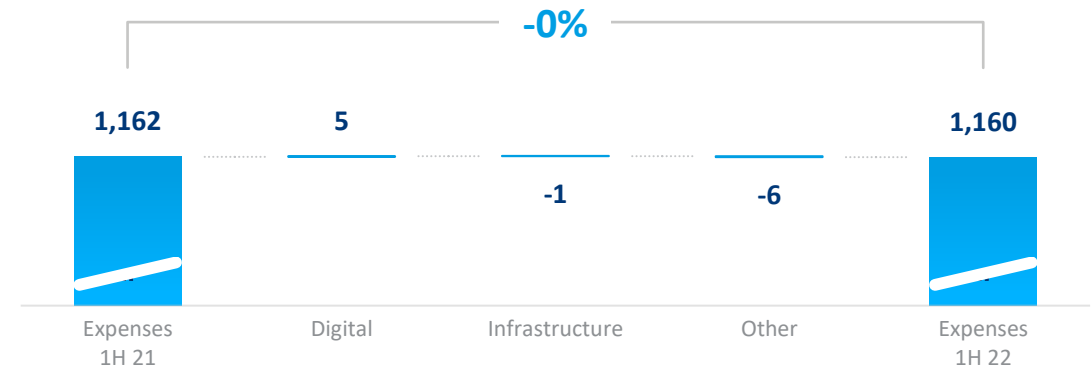
= Operating Expenses

Relatively stable expenses YoY with cost to income ratio improving on positive jaws

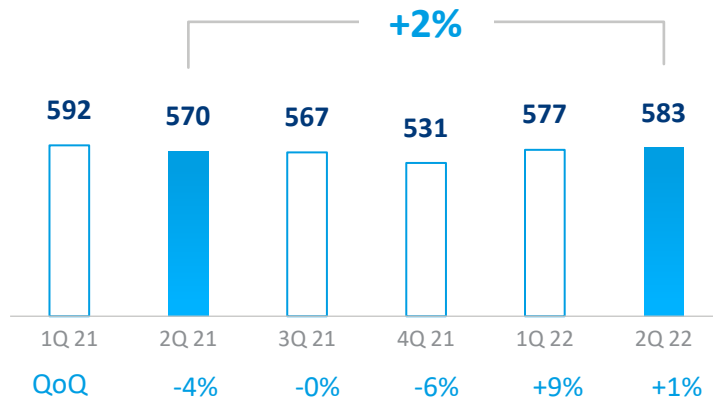
= Cost To Income Ratio (%)



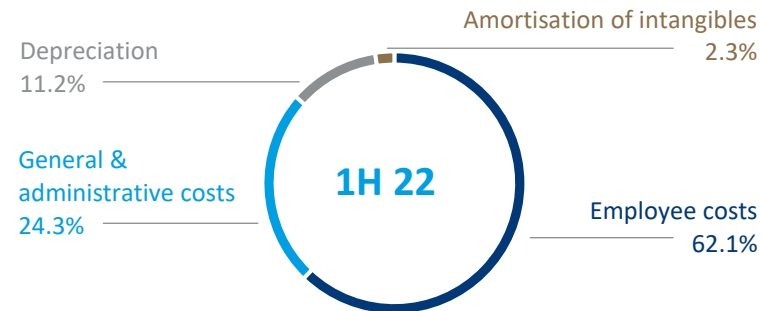
= Expenses Movement YoY (AEDmn)



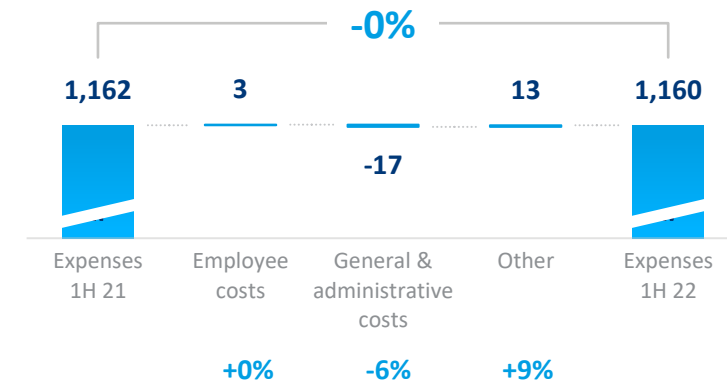
= Expenses (AEDmn)



= Expenses Composition (%)



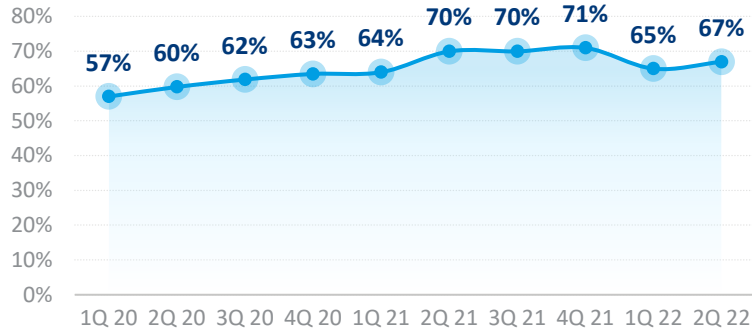
= Expenses Movement YoY (AEDmn)



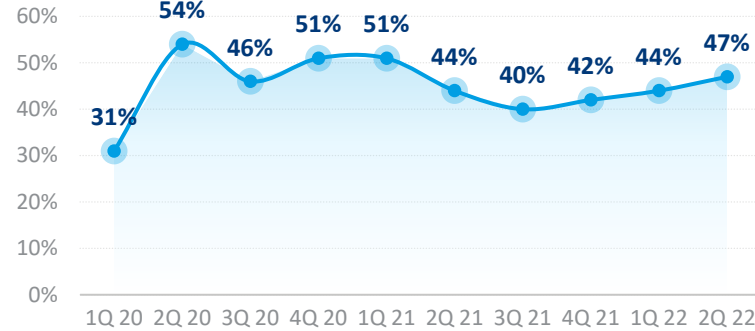
= Digital Banking

Progress made on ADIB's digital strategy is reflected in UAE's highest customer ratings and other key digital metrics.

= Digitally Active Customers (%)



= Digital Sales (% of Total)



= Auto Digital Ecosystem



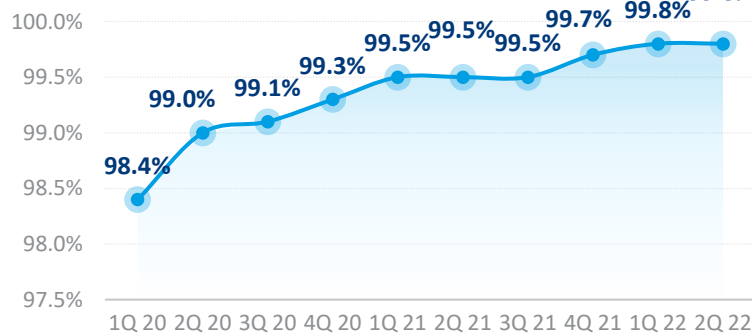
= Amwali Youth Bank Account



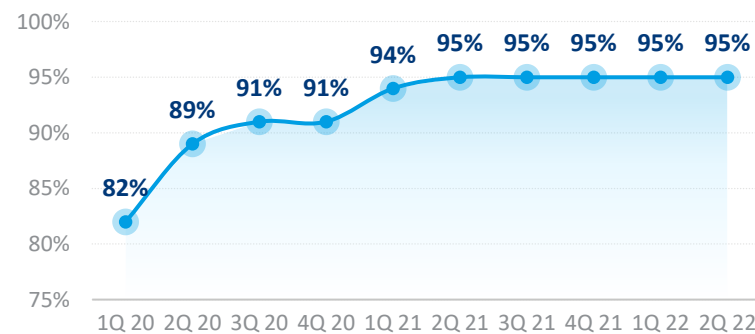
= Facial Recognition Account Opening



= Digital Transfers (%)



= Straight Through Processing (%)



= API developer portal



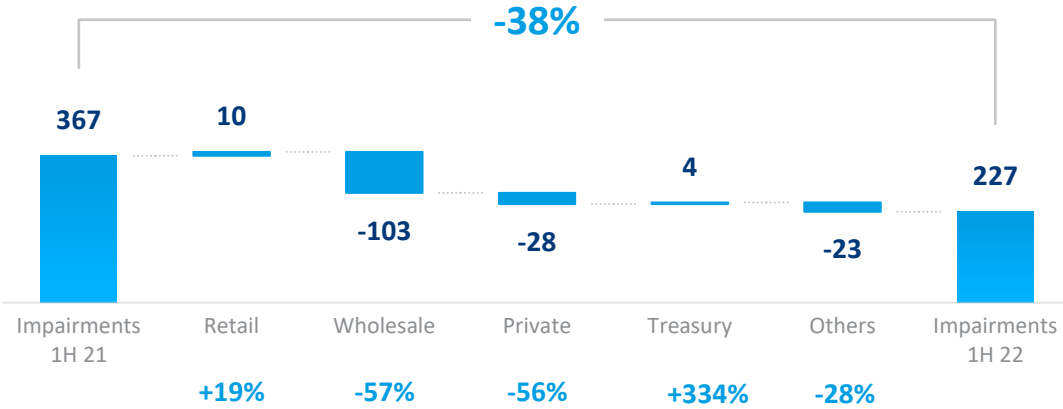
= Al Ghaf Initiative for Paperless Branches



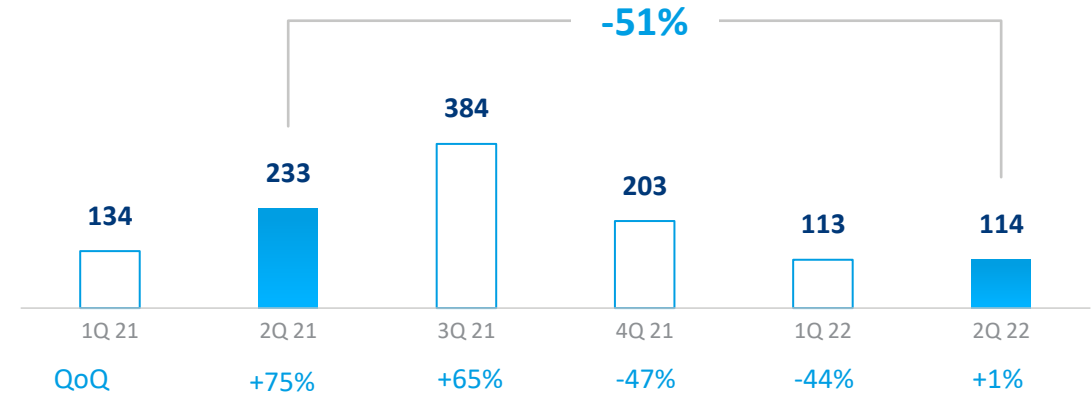
= Impairments

A 38% decline in impairments and 43bps decline in cost of risk YoY due to an improved economic outlook

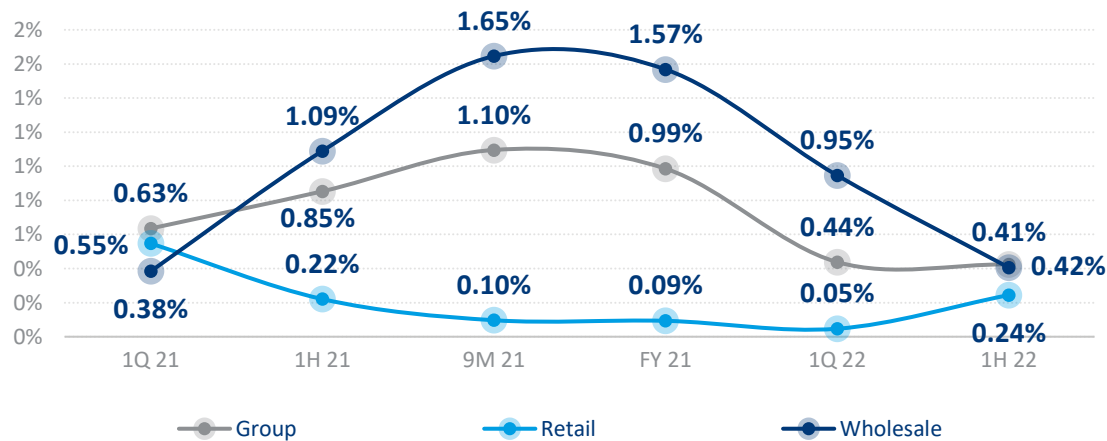
= Impairments Movement YoY (AEDmn)



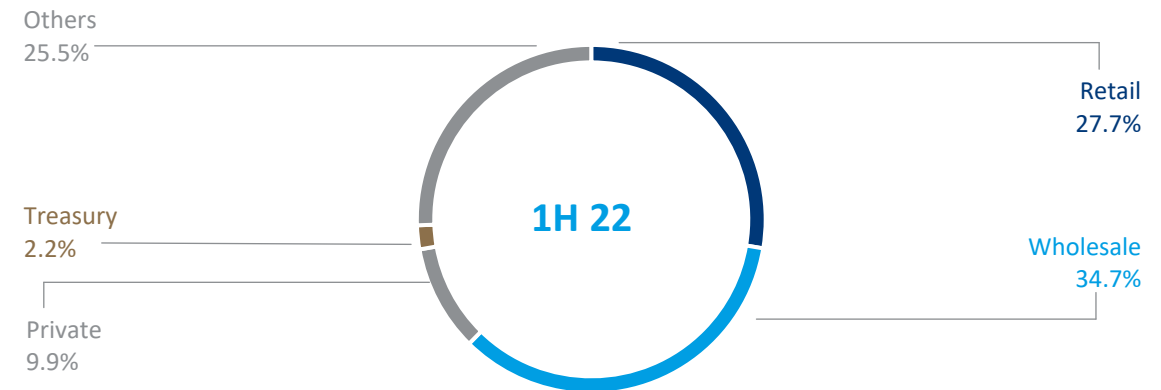
= Impairments (AEDmn)



= Cost Of Risk (%)



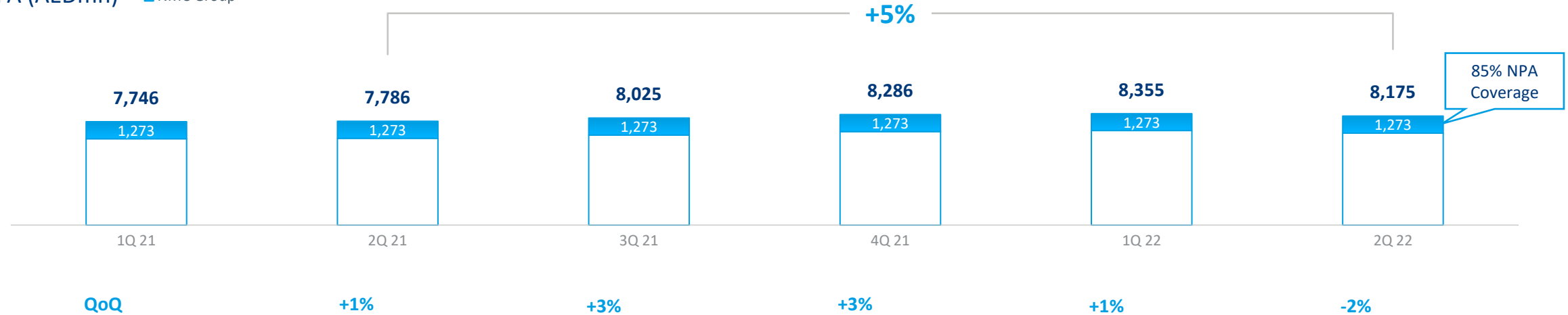
= Impairments Composition (%)



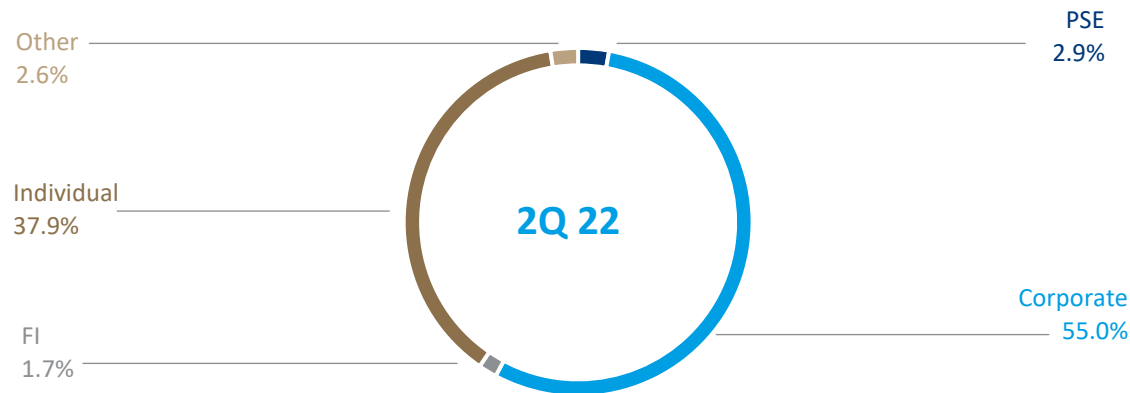
= Non-Performing Financing

High asset quality leading to a lower NPA formation

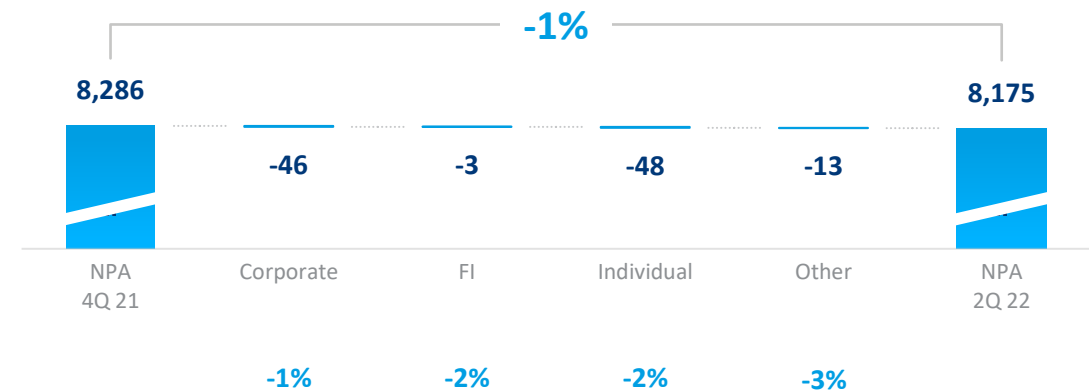
= NPA (AEDmn) ■ NMC Group



= NPA Composition by Sector (%)



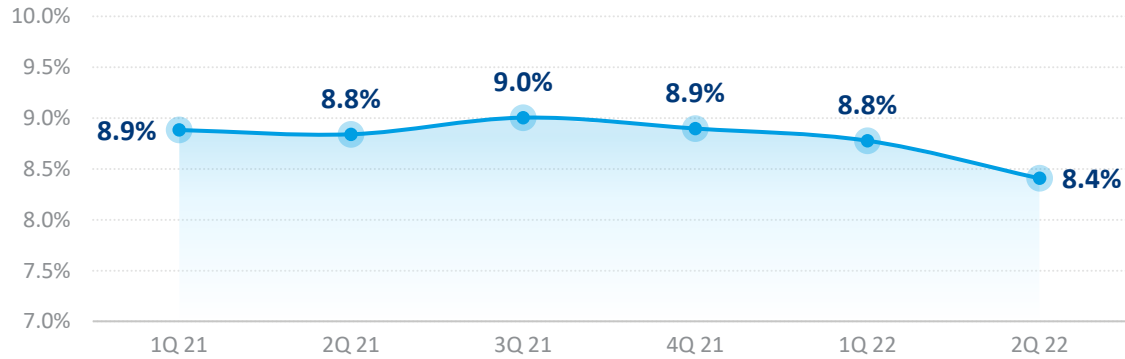
NPA Movement YTD (AEDmn)



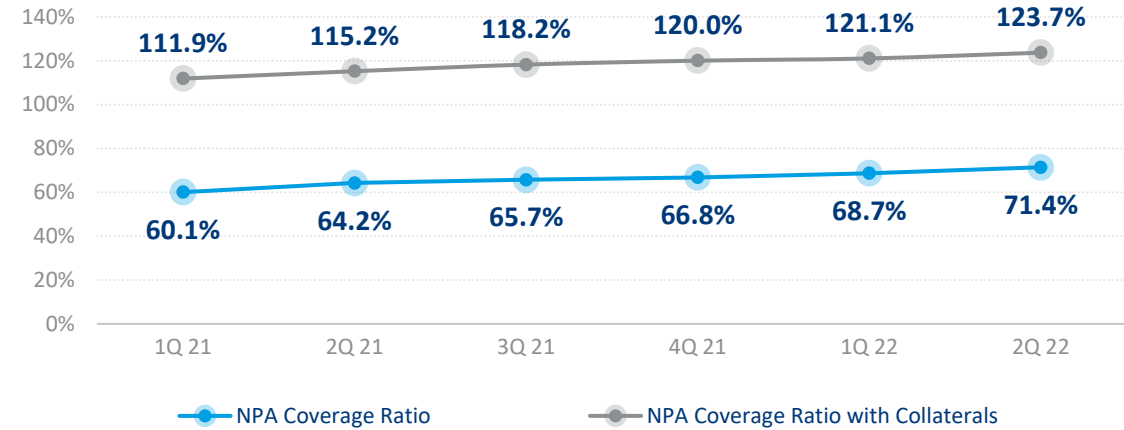
= Non-Performing Financing

Lower NPA ratio with higher coverage on non-performing financing

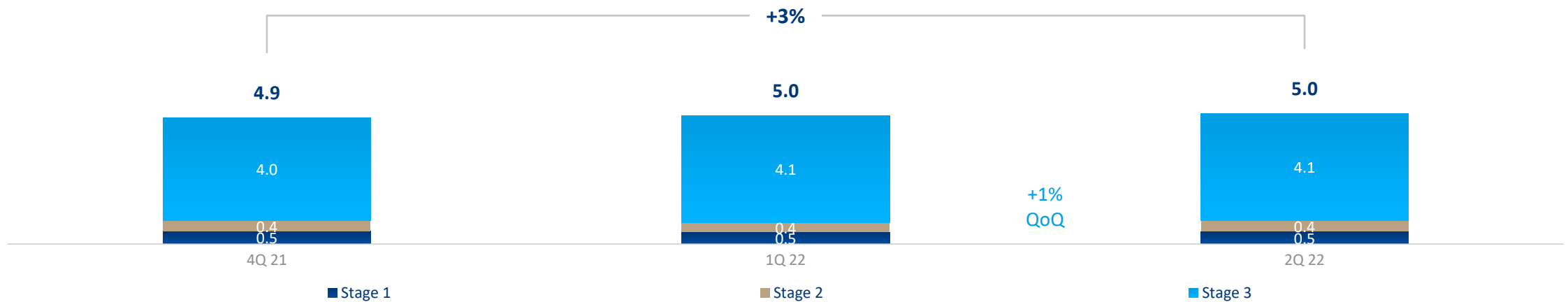
= NPA Ratio (%)



= NPA Coverage Ratio (%)



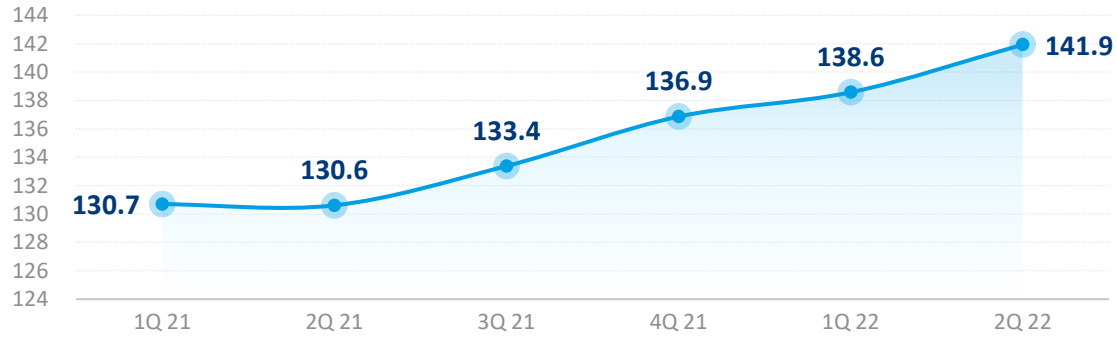
= ECL by Stage (AEDbn)



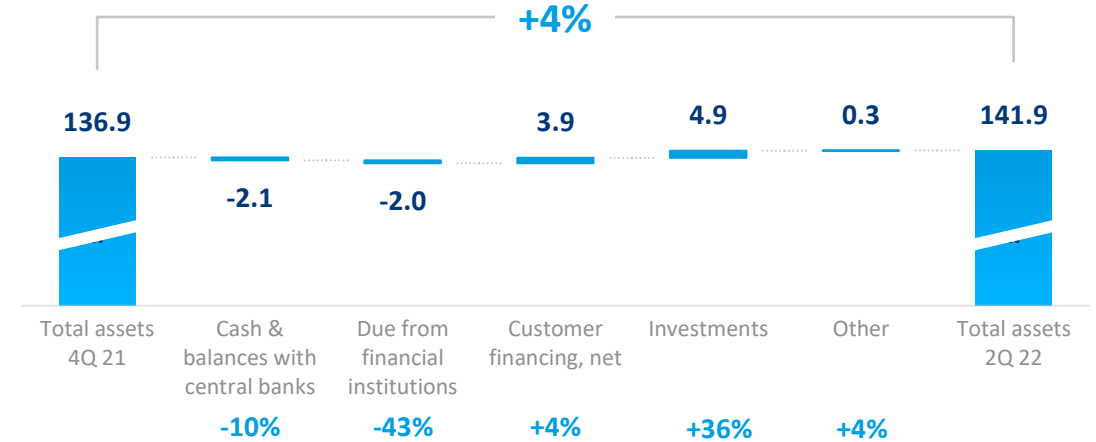
= Balance Sheet

ADIB reported 9% growth in total assets versus last year

= Total Assets (AEDbn)



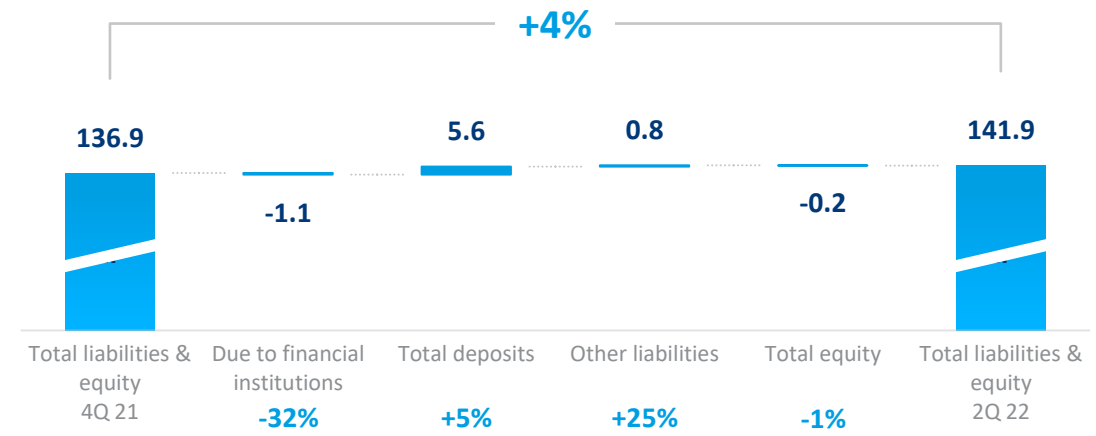
= Total Assets Movement YTD (AEDbn)



= Balance Sheet Highlights

AED (mn)	2Q 2022	1Q 2022	Δ%	4Q 2021	Δ%
Customer financing, net	92,190	90,224	+2%	88,252	+4%
Investments	18,572	17,139	+8%	13,691	+36%
Total assets	141,944	138,583	+2%	136,868	+4%
Total Deposits	115,188	110,808	+4%	109,611	+5%
Total liabilities	121,541	118,699	+2%	116,309	+4%
Total equity	20,404	19,885	+3%	20,559	-1%

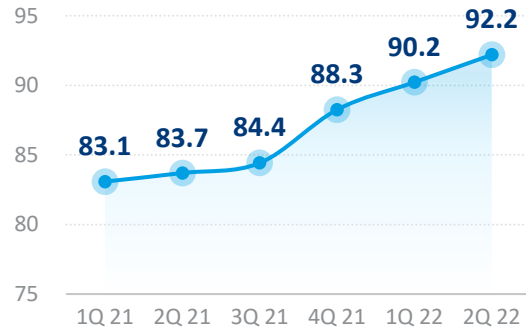
= Funding Movement YTD (AEDbn)



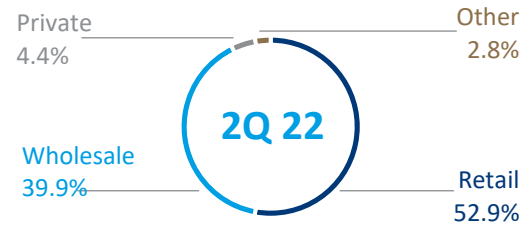
= Customer Financing

...with 4% YTD customer financing growth driven mainly by growth in Retail and Corporate financing...

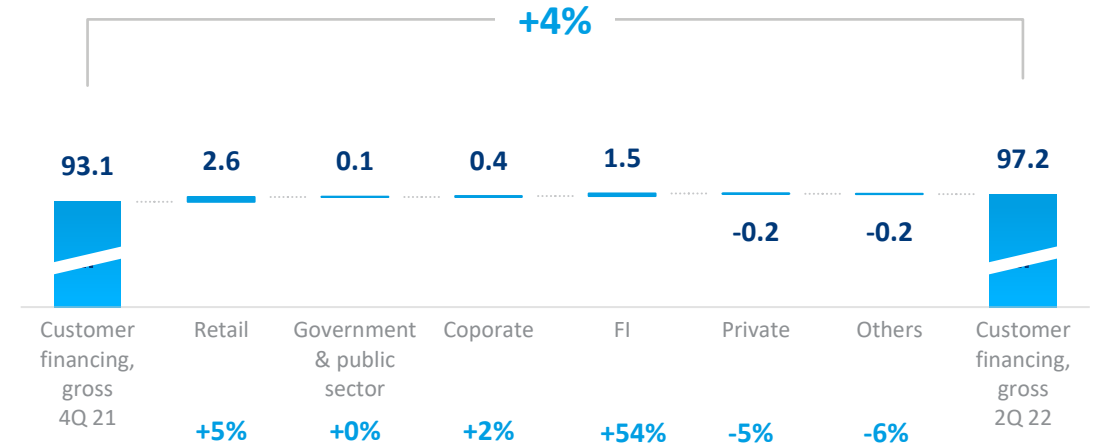
= Customer Financing, net (AEDbn)



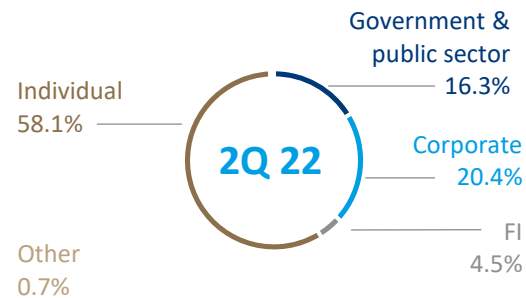
= Customer Financing, Gross by Segment (%)



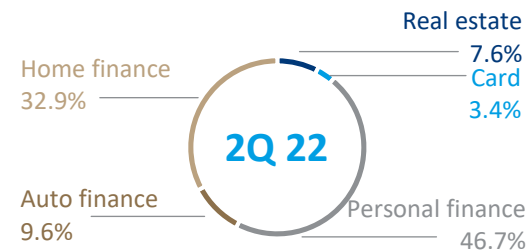
= Customer Financing, Gross Movement YTD (AEDbn)



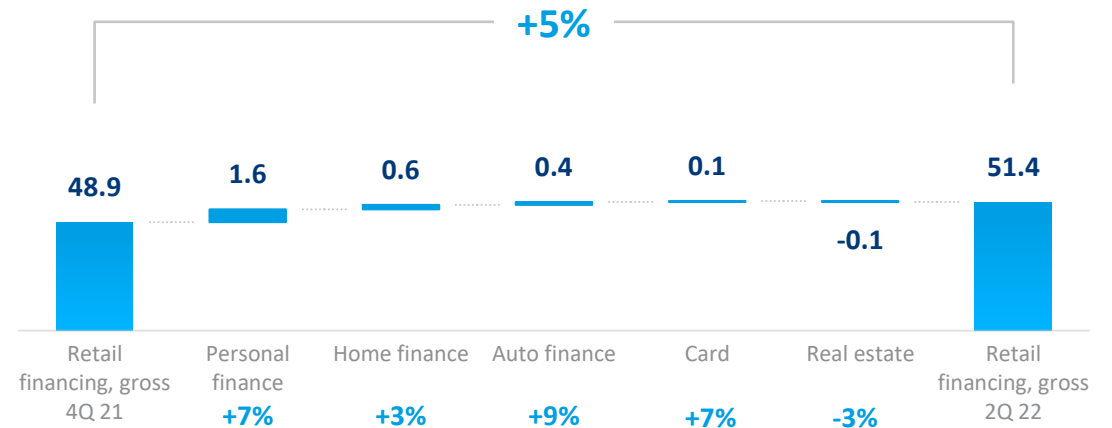
= Customer Financing, Gross by Sector (%)



= Retail Financing, Gross Composition (%)



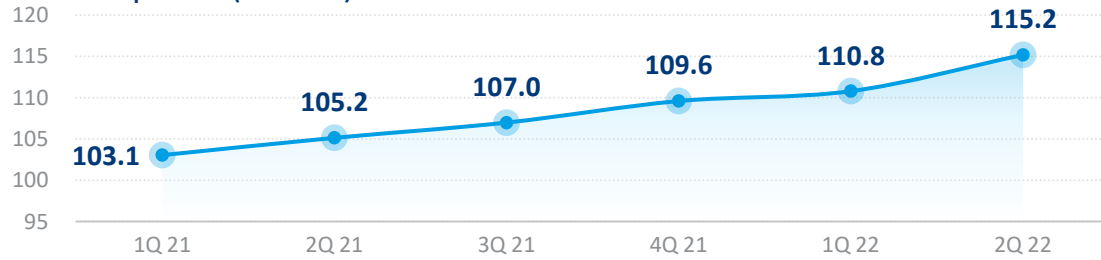
= Retail Financing, Gross Movement YTD (AEDbn)



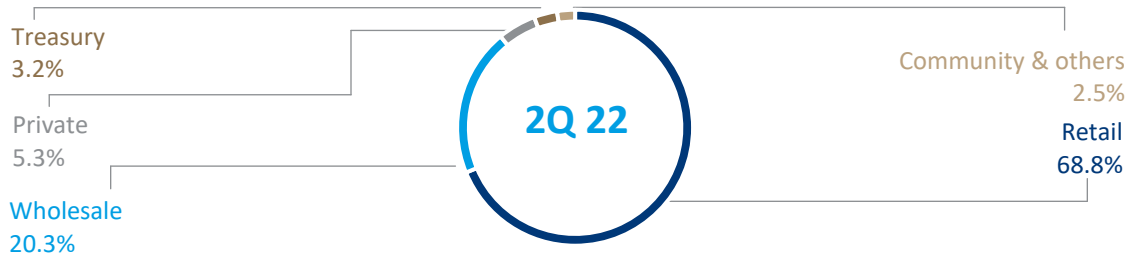
= Customer Deposits

...and 5% deposit growth with CASA comprising 75% of total customer deposits

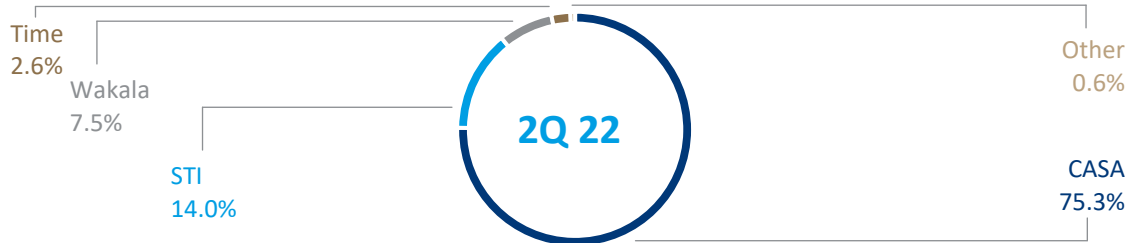
= Total Deposits (AEDbn)



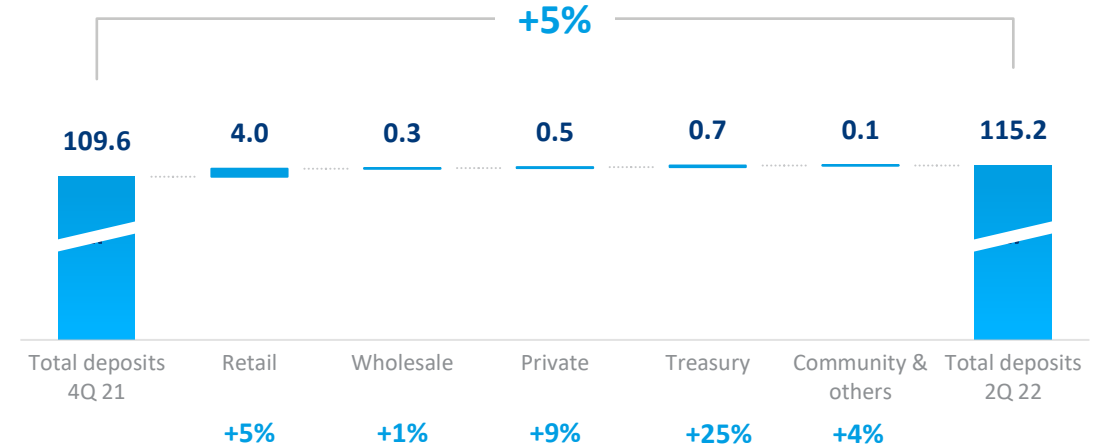
= Total Deposits by Segment (%)



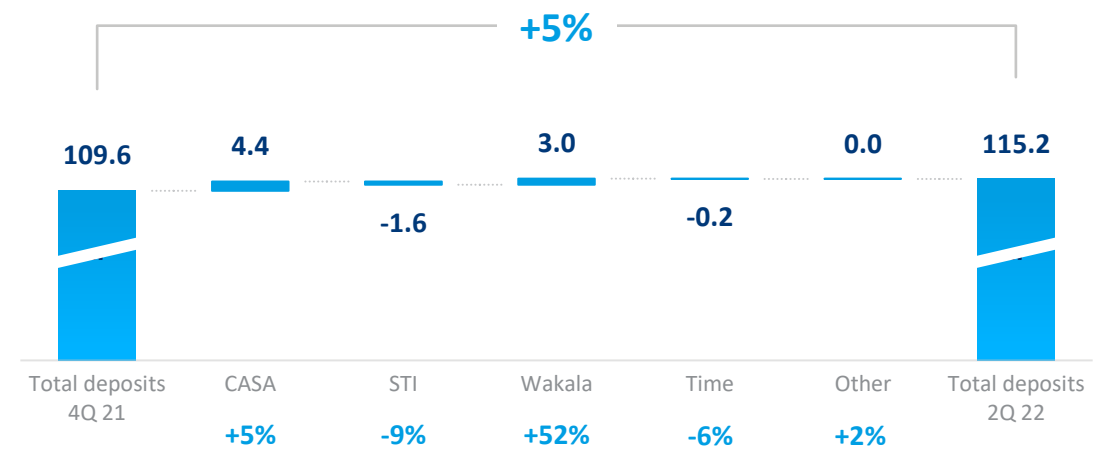
= Total Deposits by Type (%)



= Total Deposits Movement by Segment YTD (AEDbn)



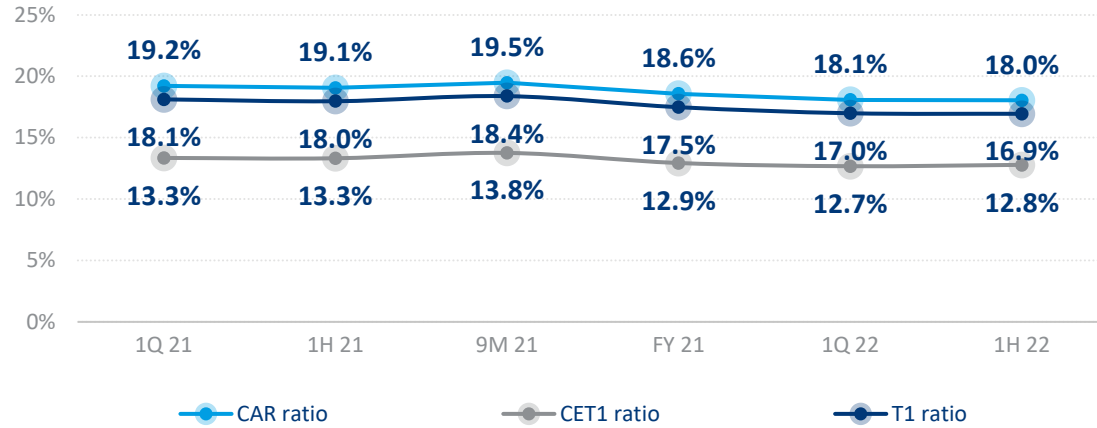
= Total Deposits Movement by Type YTD (AEDbn)



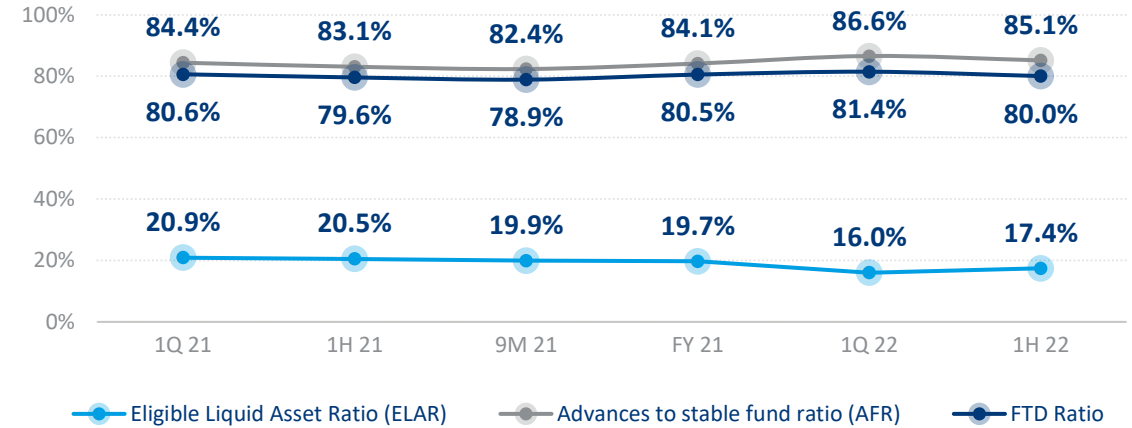
= Capital and Liquidity

...while maintaining robust capitalization and liquidity positions, well within regulatory requirements.

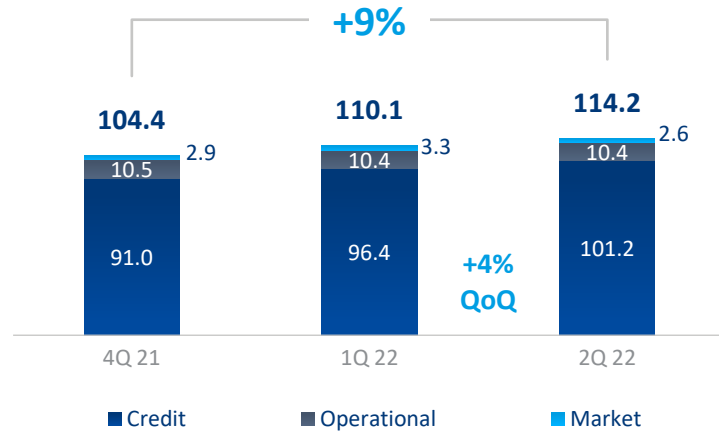
= Capitalization Ratios (%)



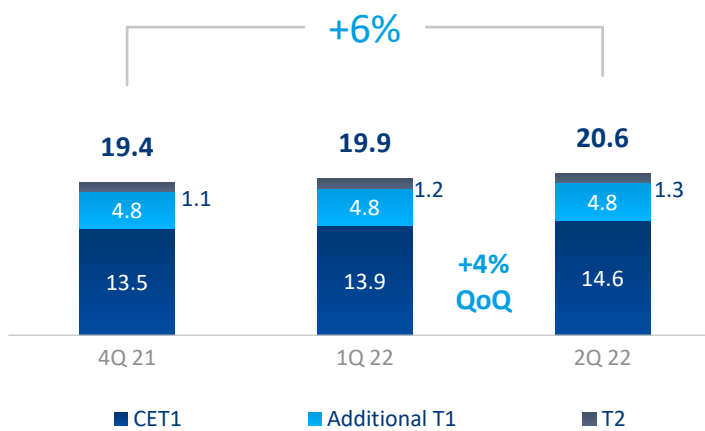
= Liquidity Ratios (%)



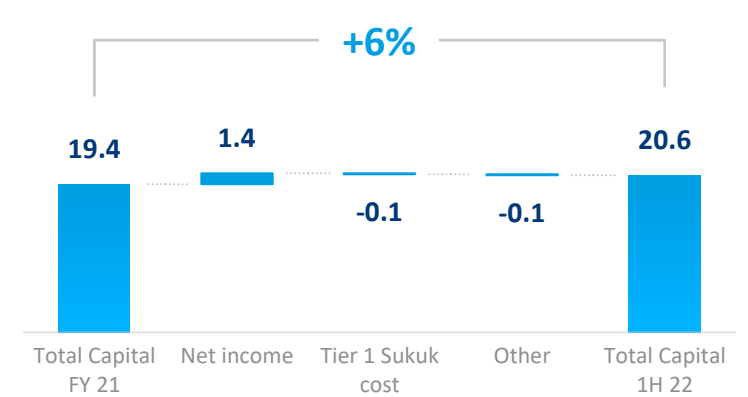
= RWA (AEDbn)



= Capitalization (AEDbn)



= Total Capital Movement YTD (AEDbn)



Outlook and Guidance

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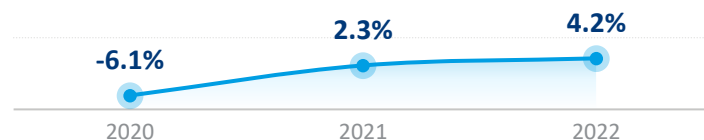
= Outlook and Guidance

Improving economic fundamentals and solid YTD financial performance drive a promising outlook for 2022

= Market Outlook

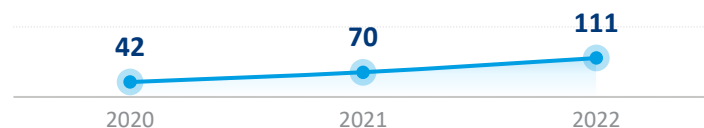
= GDP growth from rising oil prices

Real GDP growth (%)



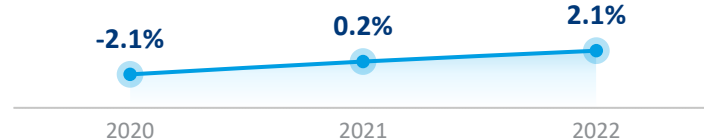
= Expected improvement in oil prices

Brent Price / Barrel (avg) (USD)



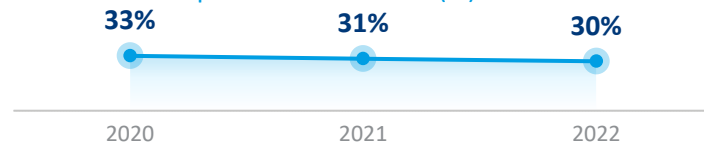
= Return from deflation to inflation

UAE Inflation (avg) (%)



= Expenditure expected to remain at 2020 level

Government expenditure % of GDP (%)



= Management Guidance

= Gross Financing Growth

Executing ADIB's growth strategy against the backdrop of an expected economic expansion

1H 2022 Reported

+4%

FY 2022 Guidance
as at 1Q 2022

5% to 7%

FY 2022 Guidance Revised

5% to 7%

= Net Profit Margin

Early benefit of expected rate hikes offset by continued competitive yield pressure

3.13%

2.90% to 3.10%

3.35% to 3.45%

= Cost of Risk

Stable credit quality outlook and continued build-up of prudent provisioning

0.42%

0.60% to 0.70%

0.60% to 0.70%

= Cost to Income Ratio

Stable cost base from disciplined management and digital efficiencies with expected growth in revenue

40.9%

38% to 40%

37% to 39%

= Net Income Growth

Healthy financing growth, stable NPM and COR, and positive "Jaws" drive expected solid profit growth

+30%

15% to 20%

20% to 25%

= Return on Equity

Solid expected profit growth and focus on capital-efficient income growth expected to drive further ROE increase

17.3%

15% to 17%

17.5% to 18.5%

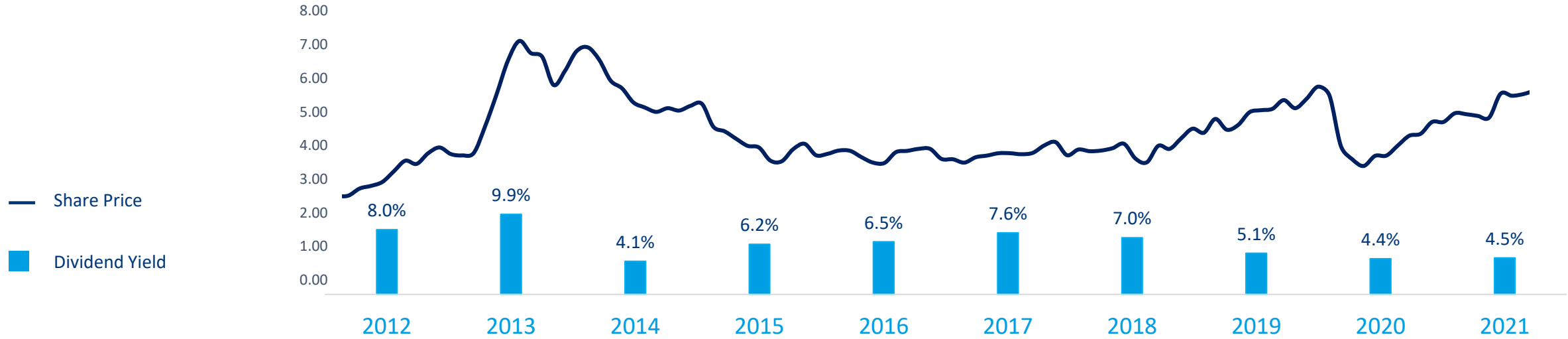
Questions & Answers

1H 2022 Earnings Presentation

= Consistent dividend distribution

ADIB consistently distribute dividends with average yield of 4%

= Shareholder Return Metrics



Net Profit in AEDmn	1,201	1,450	1,751	1,934	1,954	2,300	2,501	2,601	1,604	2,330
Cash Dividend Payout Ratio (% of Net Profit)	50.0%	50.0%	40.0%	39.8%	39.8%	39.8%	39.8%	38.2%	46.6%	48.5%
Cash Dividend (% of Share Capital)	25.4%	30.7%	23.3%	24.3%	24.5%	28.9%	27.4%	27.4%	20.6%	31.1%
Cash Dividend in AEDmn	601	725	700	769	777	915	994	994	747	1,130
Bonus shares	-	635.3	-	-	-	-	-	-	-	-
Bonus Shares (% of Share Capital)	-	26.9%	-	-	-	-	-	-	-	-

= Ratings and Accolades

ADIB's recognition for excellence in Islamic banking

= Credit Ratings

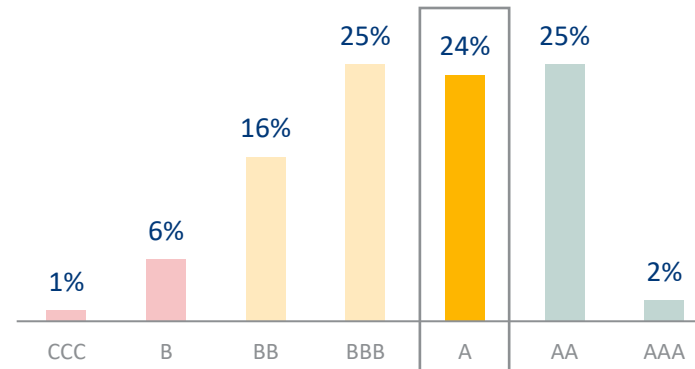
MOODY'S
A2
Stable Outlook

FitchRatings
A+
Stable Outlook

= ADIB's MSCI ESG Rating



= MSCI Rating Distribution



= Recent Accolades



#1
Digital Transformation Program



#1
Bank in the UAE
(April 2021)



#1
Islamic Bank in the UAE
(March 2021)

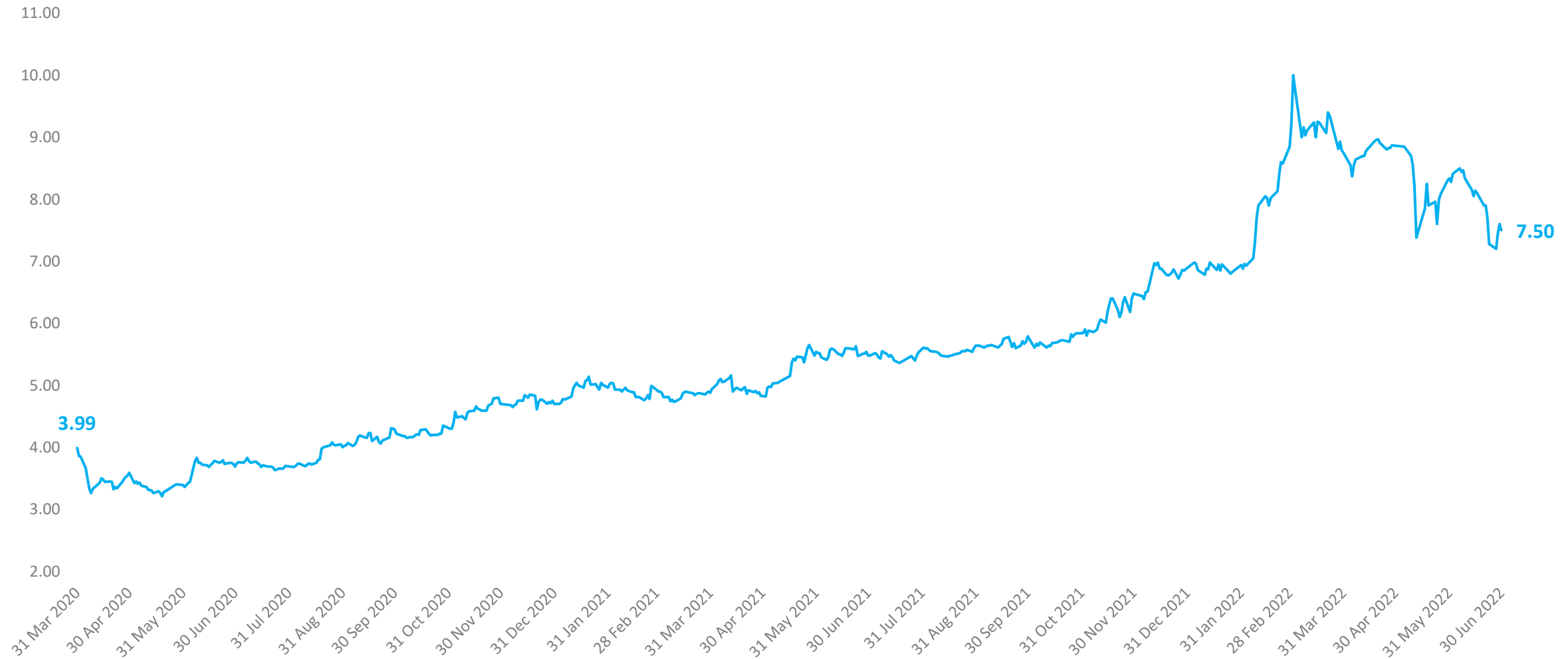


#1
Islamic Bank in Egypt
(March 2021)

= ADIB Share Price Performance

From 1Q 2020 to 2Q 2022 ADIB's share price is up 87.97%

= ADIB Share Price Chart



Contacts

1H 2022 Earnings Presentation

= Additional Information

Please contact the Investor Relations team for additional information or download ADIB's IR App

= ADIB Investor Relations Contact

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